

**MINUTES OF THE
TRANSPORTATION, ENVIRONMENTAL QUALITY, NATIONAL GUARD
& VETERANS' AFFAIRS
APPROPRIATIONS SUBCOMMITTEE
Room 25, House Office Building, State Capitol Complex**

Thursday, February 4, 2010

MEMBERS PRESENT: Sen. Kevin T. Van Tassell, Co-Chair
Rep. Wayne Harper, Co-Chair
Sen. Luz Robles
Rep. Rebecca P. Edwards
Rep. Neil Hansen
Rep. Neal B. Hendrickson
Rep. Don L. Ipson
Rep. Patrick Painter
Rep. F. Jay Seegmiller
Rep. Kenneth Sumsion

MEMBERS ABSENT: Sen. Scott K. Jenkins
Sen. Peter C. Knudson
Sen. Mark B. Madsen
Rep. Carl Wimmer

STAFF PRESENT: Mark C. Bleazard, Fiscal Analyst
Rosemary Young, Committee Secretary

Note: A list of visitors and copy of handouts are filed with committee minutes.

Rep. Harper called the meeting to order at 2:21 p.m.

In response to questions from last meeting, Mark Bleazard, Fiscal Analyst, reported that the Barron airplane which was sold last year for \$155,000 had been purchased in the early 1990's for \$210,000.

Maintenance Management

Being one of the most important functions of the Department of Transportation, maintenance of the 17,000 lane miles of State highways is the second largest single outlay of the total highway dollar. Maintenance may range from removing litter to repairing extensive damage caused by storms or floods and also includes highway striping, signs, signals, lighting, roadside rest areas, right-of-way planting, and snow and ice removal. The base budget recommendation for the Maintenance Management line item for FY 2011 is \$135,277,400, divided as follows:

Maintenance Administration	\$ 3,748,5000
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Region One Maintenance	18,805,900
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Region Two Maintenance	27,651,700
Region Three Maintenance	17,845,500
Region Four Maintenance	37,562,300
Seasonal Pools	929,700
Land and Buildings	3,748,500
Field Crews	10,644,100
Sign Operations	65,500
Traffic Safety	3,100,100
Traffic Operations Center	8,606,000
Maintenance Planning	1,596,800

Of the \$135,277,400 in this budget, \$125,407,300 is from the Transportation Fund, \$8,589,600 is from Federal Funds, and \$1,280,500 is from Dedicated Credits. There are 956 FTEs budgeted. The recommendation also includes the following intent language:

It is the intent of the Legislature that any and all collections or cash income from the sale or salvage of land and buildings are to be lapsed to the Transportation Fund.

There is appropriated to the Department of Transportation from the Transportation Fund, not otherwise appropriated, a sum sufficient, but not more than the surplus of the Transportation Fund, to be used by the Department for the construction, rehabilitation, and preservation of State highways in Utah. It is the intent of the Legislature that the appropriation fund first, a maximum participation with the federal government for the construction of federally designated highways, as provided by law, and last the construction of State highways, as funding permits. It is also the intent of the Legislature that the FTEs for field crews may be adjusted to accommodate the increase or decrease in the Federal Construction Program. No portion of the money appropriated by this item shall be used either directly or indirectly to enhance or increase the appropriations otherwise made by this act to the Department of Transportation for other purposes.

John Njord, Director UDOT, responded that maintenance is one of the four main goals of the Department and the Department does use the funds budgeted under Maintenance Administration for extraordinary snow storms or natural disasters. They are keeping an eye on the little town of Tropic which has had five feet of snow this winter. Flooding in the spring is a possibility. All roads in the state are of equal concern to the Department. Carlos Braceras, Deputy Director, through a slide presentation showed how the funds are divided and what letter grade the

Department has given itself compared to the targeted grade. The goal for snow removal for interstates is to have all lanes plowed once an hour through the duration of the storm. More lane

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miles have been added to the system over the years without an increase in funds or FTEs to maintain them, so more roads are falling into the category of unacceptable on the International Roughness Index. At the present time the grade on striping is C because restriping is seasonal and will be done in the spring. An effort is being made to find ways to make paint last longer.

Rep. Harper relinquished the chair to Rep. Painter.

B & C Roads

B & C roads are all public roads which are not State or Federal roads and are funded from the Class B & C Roads Accounts. Programs for these roads are prepared and developed by cities and counties. Title 72-2-107 appropriates 30% of the revenue collected in the Transportation Fund to the B & C Road Account, and the funds are distributed to cities and counties based on the following formula: 50% based on population of the county or municipality and 50% based on the weighted mileage of the county or municipality (UCA 72-2-108). Any increases in disbursements will tie directly to increased fuel sales or increase in fuel tax. The base budget recommendation for the B & C Roads Program for FY 2011 is \$119,865,900 all of which comes from the Transportation Fund. This amount will change when the actual collection is known.

The Department responded that this is a pass through program, and they pay out six times a year. Local governments have to supplement this amount from the State to maintain their roads.

Rep. Painter relinquished the chair to Sen. Van Tassell.

National Guard

The primary purpose of the Utah National Guard is to act as a backup for the active military forces, as a state force to quell civil disturbances, and to provide public assistance during natural disasters. The Administration Division houses the Adjutant General who is the Chief of Staff to the Governor and the Division is the coordinating arm between state and federal programs. The recommended base budget for FY 2011 for this program is \$1,100,900 and has five FTEs.

Armory Maintenance is the other part of this budget and is responsible for facilities located in 29 communities throughout Utah. The FY 2011 base budget recommendation for the Armory Maintenance Program is \$33,950,900. By State statute the Federal Funds received by the Utah National Guard are exempt from provisions of 63J-5-201 and are expected to be \$30,181,200 for FY 2011. Of the \$35,051,800 included in the Base Budget Bill for Utah National Guard line item for FY 2011, \$4,764,900 is from the General Fund, \$30,181,200 is from Federal Funds,

\$30,000 is from Dedicated Credits and \$75,700 is from transfers. There are 133 FTEs budgeted.

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The Executive Appropriations Committee allocated 95% of original FY 2010 ongoing appropriations to each subcommittee and directed the subcommittees to compile a list of options equal to a 5% ongoing reduction. If a 5% reduction is considered in the National Guard's budget a \$243,100 General Fund reduction would be required. The Analyst recommends the following alternatives for budget changes to accomplish the subcommittee's 5% target:

a) State Defense Force Reduction	4,000
b) Museum Display Reduction	10,000
c) Funding for Janitorial in Armories	10,800
d) Preventative Maint for Air Guard	5,000
e) Reduce Supplies & Utilities Air Guard	10,000
f) Extend Computer Life Cycle	8,800
g) Museum Staff Reduction	10,000
h) Janitorial Service at Air Guard	15,000
i) Custodial Support Army Guard	3,000
j) Reduce IT Support	6,700
k) Consolidate Adm/Actg Position	52,000
l) Consolidate Fixed Asset/Actg Techs	51,500
m) Administrative Staff Reduction	52,600

The Militia and Armories Act (Utah Code 39-1-63) provides for tuition assistance to members of the National Guard for study at post secondary institutions of learning and states "that the adjutant general shall include a request each year for funds for this program." The National Guard is requesting an ongoing amount of \$500,000 of General Funds for continued tuition assistance. The Analyst recommends that the committee consider funding \$500,000 one-time from the General Fund for tuition assistance. Sen. Van Tassell reported that he is running a bill that would free up about \$170,000 ongoing funds due to a change in accounting in the Uintah Basin Revitalization Fund. It is his intention to earmark those funds for tuition assistance.

The National Guard is experiencing increases in utility expenses at their facilities as are all state facilities. They are projecting a shortfall of \$393,800 for utility expenses and have requested an additional \$153,600 from the General Fund and \$240,200 from Federal Funds to complete the unfunded portion of utility costs for FY 2011. The Analyst recommends that the committee consider funding \$153,600 from the General Fund and \$240,200 from Federal Funds in FY 2011 to pay for utility increases.

In accordance with Title 63J-1-504 Utah Code Annotated, the following fees are proposed for the services of the National Guard in FY 2011:

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	Current Rate	Proposed Rate	#Units
Small Commercial/Business			
Armory Rental 4 hr or less/hr	25.00	25.00	497
Armory Rental >4hr = day	500.00	500.00	unknown
Security Attendant per hr	15.00	15.00	unknown
Refundable Cleaning Deposit unknown	100.00	100.00	
Industrial			
Armory Rental 4 hr or less/hr	100.00	100.00	
497			
Armory Rental >4hr = day	1000.00	1000.00	
unknown			
Security Attendant per hr	15.00	15.00	
unknown			
Refundable Cleaning Deposit unknown	100.00	100.00	

Brian Tarbet, Adjutant General, Utah National Guard reported that there is greater use of the armories in the smaller towns. Todd Valene, Resource Manager, reported that \$30,000 has been reported as coming from these rentals. Gen. Tarbet informed the committee that they need about \$1,250,000 per year for tuition assistance to sustain a National Guard of 7,000 individuals. Because under funding of maintenance has occurred in past years, the armories suffer. When the utilities funding is short, money is taken from Maintenance to make up the difference, which compounds the problem. As a personnel based "business" there are few areas where the National Guard can effect economies. Shutting down old facilities is one place to harvest savings, but that is the wrong answer for the State of Utah. Also taking funds from tuition assistance is not the right answer for the State.

Col. Scott Olsen, Director of Facilities Maintenance Management, Utah National Guard, reported that the National Guard stands at #7 on the building board. Appropriated in the last two sessions was \$8,000,000 which was used in the first year to bring up to code 3 armories: Vernal, Springville, and Camp Williams, whose units are about to be deployed. In the second year four armories in rural communities were identified which are centerpieces for activity. The armories remain open when units are deployed providing activities for families.

Veterans' Affairs

The Utah Department of Veterans' Affairs is responsible for 160,000 veterans in the State with the primary mission through outreach of assisting veterans and their families in preparing claims for securing compensation, health services, education, and other federal and state veterans' benefits for service connected conditions. The Administration Division is the repository of military discharge documents verifying military service required to receive veteran's benefits. The base budget for Administration for FY 2011 is \$630,500. The base budget for FY 2011 for the Veterans' Cemetery is \$312,400. The Veterans' Nursing Homes, 80 beds in Salt Lake and

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120 beds in Ogden, provide both skilled and intermediate levels of care to veterans and eligible spouses. The General Fund portion for the Veterans' Nursing Homes for FY 2011 is \$264,600. The following intent statement is also recommended for FY 2011:

Under terms of Section 63J-1-402-(3)(a) Utah Code Annotated, item 224 of Chapter 2 Laws of Utah 2008 is made non-lapsing with the use of any non-lapsing funds limited to the following: Veterans' Outreach \$130,000; Veterans' Cemetery \$20,000; and Veterans' Nursing Home \$15,000.

The total base budget for FY 2011 for Veterans' Affairs line item is \$1,207,500. Of this amount \$841,900 is from the General Fund, \$178,800 is from Federal Funds, and \$186,800 is from Dedicated Credits. This represents a 98% General Fund budget. The Executive Appropriations Committee directed all subcommittees to compile a list of options equal to a 5% ongoing reduction. The EAC will use these options to make final adjustments to the FY 2011 budget. The Analyst recommends the following list to accomplish the subcommittee's 5% target:

a) Veterans' Nursing Home	13,500
b) Cemetery Maintenance	10,600
c) Veterans' Outreach	18,900

The following list details the Federal Funds compiled by the Governor's Office of Planning and Budget pursuant to 63J-5-201. The Analyst submits the Federal Funds requests for the Department of Veterans' Affairs as follows:

Ogden Veterans' Nursing Home	\$2,572,611
Salt Lake Veterans' Nursing Home	2,005,500
State Approving Agency	<u>178,800</u>
	\$4,756,911

In accordance with Title 63J-1-504 Utah Code Annotated, the following fees are proposed for

the services of the Department of Veterans' Affairs in FY 2011:

	Current Rate	Proposed Rate	#Units
200	Veterans' Burial Fee	300.00	300.00
45	Spouse/Dependent Burial Fee	400.00	400.00
	Saturday Burial Fee	500.00	500.00
2	Lawn Vases	60.00	60.00
	Disinterment Single Depth	600.00	600.00
	Disinterment Double Depth	900.00	900.00
	Chapel Rental	100.00	100.00

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Terry Schow, Director, Department of Veterans' Affairs, reported that the Department has no expenses for office space. The Department receives \$187,000 from veterans' license plate fees which are paid by veterans. The State Approving Agency is new and is totally federally funded. It operates as an adjunct to the outreach program which is the primary focus of the Department. Dennis McFall, Deputy Director, distributed a handout demonstrating the increase in Federal compensation to veterans as the Department is able to reach more veterans. In FY 2006 the total was \$167,751,000, and in FY 2009 the amount had increased to \$239,257,117. Utah is still below the national average in the percentage of veterans who are enrolled in the VA healthcare system and in the percentage who are receiving VA compensation. These federal dollars which come into the state help the veterans and help the economy. Deputy Director McFall informed the committee that they need \$300,000 a year in the outreach program. Through service groups the Department takes their outreach to the communities in outlying areas. At the Veterans' Cemetery they are 1 FTE short. Three workers are handling 6 to 8 burials per week. The Director reported that their four vehicles are two vans with lifts at the nursing homes and a dump truck and pickup truck used at the cemetery.

MOTION: Rep. Ipson moved to adjourn. The motion passed unanimously with Rep. Sumsion absent for the vote.

Sen. Van Tassell adjourned the meeting at 3:48 p.m.

Rep. Wayne Harper, Co-Chair

Sen. Kevin T. Van Tassell, Co-Chair